



*Living Technologies*  
*Leanne Gerrard*

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July 14, 2006

Dear Sir or Madam:

It has come to my attention that you have made proposals designed to protect consumers from fraudulent business opportunities. Re: **Business Opportunity Rule R511993**. I am fully in agreement with the efforts to protect the public from fraudulent activities and companies.

However, I am writing this letter because of my concern that the proposed rule, R511993, in its present form, could actually cause me to lose my business. Some of the sections of the proposed rule would make it very difficult, and maybe impossible, for me to continue selling my technology based products.

I have been an independent business owner for more than two years now, and have been able to establish a home-based career that will make it possible to help the rest of our children go to college, and enable my husband and me to have the resources we need to retire comfortably in a few years. Our future plans are dependent on the long-term stability of the direct selling industry!

One of the most difficult sections of the proposed rule is the seven-day waiting period for enrolling a new distributor. I feel this would cast a shadow on the whole industry, making people suspicious and reluctant to take a chance on bettering their future with extra income. Our new business owner sales kit only requires a \$49 registration fee. My company, being a member of the Direct Selling Association, has a 90% buyback policy for all products, including sales kits purchased by any distributor within the last twelve months. It would be very difficult to keep records of exactly when I first spoke to each person, when they would officially be able to become a registered business owner, and get these records to my company headquarters.

The proposal also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices, even if the company was exonerated in the end. Today, anyone or any company can be sued for almost anything. This could definitely make a very negative impact on my ability to recruit honest people of integrity into my business.

Finally, the proposed rule would require the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I'm certainly happy to supply references and testimonials, but only with the permission of the person giving it. I couldn't, in good conscience, just start giving out contact information about all of my customers. I feel this would be a breach of privacy, and my own trustworthiness and integrity!

I do appreciate the work that the FTC does to protect consumers, but I really believe that this newly proposed rule would have many unintentional consequences for people honestly earning a living in the direct selling industry. I hope you'll consider alternatives that will not put an unnecessary burden on, and penalize companies doing a legitimate business.

Very Respectfully,

Leanne Gerrard